

2021 Property Tax Related Legislation

HB 19 County Classification Amendments

Rep. Casey Snider (Effective May 5, 2021)

This bill modifies the population requirements for first, second, third and fourth class counties. Increases the population minimum for classification as a county of the first class from 700,000 to 1,000,000; increases the population bracket for classification as a county of the second class from 125,000 or more but less than 700,000 to 175,000 or more but less than 1,000,000; and increases the population bracket for classification as a county of the third class from 31,000 or more but less than 175,000 to 40,000 or more but less than 175,000.

The changes in this bill would impact Cache County, moving it back from a second class to a third, and Summit, Uintah and Wasatch counties would move from third to fourth. Sanpete could stay a fourth class longer than previously estimated.

HB 30 Tax Modifications

Rep. Stewart E. Barlow (Effective May 5, 2021)

Removes the requirement in 59-2-1007 for **all** owners to sign the Residential Property Declaration. At least one new owner is required to sign. Clarifies in 59-2-1602 that 18% of the revenue collected from multicounty assessing and collecting levy will be deposited into the Property Tax Valuation Agency Fund, up to \$500,000 annually. Previously stated 18% of the revenue collected “from the base rate”.

HB 221 Property Tax Records

Rep. Joel Ferry (Effective May 5, 2021)

Clarifies that a record submitted by a taxpayer to establish eligibility for property tax exemption, deferral, 3 abatement or relief is a private record for purposes of the Government Record Access and Management Act.

HB 270 Property Tax Valuation Amendments

Rep. Timothy D. Hawkes (Effective January 1, 2021)

Modifies the definition of “final assessed value” to include the value given to locally assessed real property by stipulation between the parties; defines “qualifying change” for purposes of excluding locally assessed real property from being considered qualified real property as being either a physical improvement, a zoning change, or a change in the legal description; clarifies that a physical improvement is a qualifying change if the fair market value of a physical improvement is at least the greater of 10% of fair market value of the real property or \$20,000; clarifies that a zoning change is a qualifying change if the fair market value of real property increases solely as a result of the zoning change; and clarifies that a change in the legal description of real property is a qualifying change if the fair market value of the real property increases solely as a result of the change in the legal description of the real property.

HB 390 Urban Farming Amendments

Rep Michael L. Kohler (Effective May 5, 2021)

Expanded the definition of urban farming to include cultivating food or other marketable crop or engaging in livestock production, including grazing. Previously livestock production and grazing were excluded in the definition. Definition of livestock in 59-2-102(20).

Addition of “livestock production” and “reasonable expectation of profit” from irrigated land. A county still has to have an ordinance. Iron, Salt Lake, Wasatch, Washington and Weber counties either have or are in the process of adopting an urban farming ordinance.

SB 1 Public Education Base Budget Amendments

Sen. Lincoln Fillmore (Effective May 5, 2021)

Sets the value of the WPU at \$3,809 for fiscal year 2022.

Minimum basic local amount for 2021 is \$575,931,800. Estimated rate .001554

WPU Value amount for 2021 \$22,484,800 Estimated rate is .000063

Actual set rate for 2021 was .001661. Basic was frozen at .001600 and the WPU value rate was calculated at .000061.

SB 18 Property Tax Exemption Amendments

Sen. Wayne Harper (Effective January 1, 2022)

Increases the personal property tax exemption from \$15,300 to \$25,000; modifies the calculation of the certified tax rate by excluding the difference in property tax revenue resulting from the business personal property tax exemption increase; repeals the exemption for taxable tangible personal property items, except for an item of non-capitalized personal property that has an acquisition cost of \$1,000 and has reached 15% good or less; and modifies the exemption personal property owned by a business that has an acquisition cost of \$500 or less by requiring that the item is not critical to business operations.

SB 24 Property Tax Revisions

Sen. Curtis S. Bramble (Effective May 5, 2021)

Authorizes counties, upon a taxpayer's showing reasonable cause, to waive or reduce a penalty imposed for failure to submit the signed statement required under §59-2-306; and, retrospective to January 1, 2021, removes the November 30th application deadline for part-year residential property exemption, which resolves the conflict between the application deadline and the September 15th property tax appeal deadline.

SB 26 Property Relief Amendments

Sen. Gene Davis (Effective January 1, 2021)

Modifies the definition of "household income" to exclude Social Security Disability Income payments, income from household members who are under 18, and income from a parent or grandparent by blood, marriage or adoption of the claimant or the claimant's spouse; prohibits an individual who did not own the residence for an entire calendar year from receiving the homeowner's credit or the 20% reduction in fair market value; and modifies the annual CPI adjustment for the income brackets and credit amounts for the homeowner's and renter's credits to be based on CPI-Housing instead of CPI-All.

SB 37 Public Infrastructure District Revisions

Sen. Dan McCay (Effective May 5, 2021)

Removes the limit tax bond rate of .15 for this type of district.

States the annexation of an unincorporated area by a municipality does not affect the boundaries of a public infrastructure district.

SB 65 Community Reinvestment Agency Amendments

Sen Wayne Harper (Effective May 5, 2021)

Provides an option for an agency to enter into an agreement with certain tax entities to transfer the incremental revenue from the entities to the agency and the agency to be able to levy a property tax from that revenue.

The term "eligible taxing entity" defines which taxing entities that can transfer increment to the agency to just a municipality, county or School District. Special Service Districts may not transfer incremental revenue to this new taxing agency. As they are not included in the definition of an eligible taxing entity. The revenue to start one of these agency taxing authorities will have to start from the incremental revenue from just those three entity types.

Authorizes a community reinvestment agency (CRA) to levy a property tax within its geographic boundaries if the CRA enters into an interlocal agreement with a taxing entity in accordance with §17C-1-1002 for the purpose of transferring all or part of the taxing entity's project area incremental revenue; states that incremental value transferred to the CRA and ad valorem property tax revenue that the CRA budgets for a prior year shall be the basis for calculating the certified tax rate for the CRA.

SB 104 Tax Levy for Animal Control

Sen Todd Weiler (Effective July 1, 2021)

Excludes 1st class counties

This bill creates authority for certain counties to impose a property tax levy to fund animal welfare services. The revenue the county and cities and towns pay for animal control will be reduce the general fund levies. The new levy will start at an amount that equals the reductions of the county and towns.

SB 110 Tax Commission Appeal Amendments

Sen Lincoln Fillmore (Effective May 5, 2021)

Upon request, the State Tax Commission is required to stay a property tax appeal that is before the commission until the court issues a final decision, if the judicial review before the court and the pending commission appeal involve the same taxpayer, the same legal issue or valuation principle and, to a material degree, facts.

Unless all parties agree, then the case may be moved forward.

SB 217 Housing and Transit Reinvestment Zone Act

Sen Wayne Harper (Effective January 1, 2022)

Specifies the process by which a municipality or public transit county may create a housing and transit reinvestment zone to capture sales and property tax increment revenue within an area around a commuter rail station or public transit hub; requires that a municipality or public transit county that creates a housing and transit reinvestment zone, must provide the Tax Commission notice, including the boundaries of the zone; requires the Tax Commission, beginning one year after the first day of a calendar quarter after 90 days notice,, to at least annually transfer 15% of the state sales and use tax increment from within the zone into the Transit Transportation Investment Fund; authorizes a housing and transit reinvestment zone to capture property tax increment of not more than 80% of each taxing entity's tax increment above a base year for a term of no more than 25 years within a 45 year period; and requires affected taxing entities to participate if the housing and transit reinvestment zone proposal meets the requirements of the act.

SB 233 Military Installation Development Authority Amendments

Sen. Jerry Stevenson (Effective May 5, 2021)

Requires the Tax Commission to provide MIDA the collection data necessary to verify the sales tax revenue distributed to the authority. Adds a military installation development authority to the "designated political subdivision" definition in 59-12-102..

SB 243 Political Subdivision Amendments

Sen. Jerry Stevenson (Effective May 5, 2021)

Authorizes the Utah Inland Port Authority to levy an assessment under the Assessment Area Act.

Excludes a public infrastructure district created by the inland port authority from the definition of taxing entity. Applicable to the Utah Inland Port Authority Act

Authorizes the Utah Inland Port Authority to create public infrastructure districts.